



COMPARING COMMUNITY BENEFITS ORDINANCE PROPOSALS*
Appearing on November 8, 2016 City of Detroit Ballot

On November 8th, Detroiters will get a historic opportunity to vote on two proposals for community benefit ordinances in the city (named Proposal A and Proposal B). These ordinances would require a real estate developer to incorporate community wishes, albeit in different ways, into eligible projects. Due to its 501(c)(3) status, D4 is unable to say “vote yes/no” on a specific piece of legislation, but D4 still wants to educate the general public and therefore is providing a brief summary of the two proposals. For the full language of each proposal, visit www.metrodetroitd4.org and go to the “Policy Research” section.

PROPOSAL “A”

PROPOSAL “B”

Proposed Development Project Cost Thresholds

These project cost thresholds would determine when a development project must comply with the community benefits ordinance, with different requirements for Tier 1 or Tier 2 projects.

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| <ul style="list-style-type: none">● Tier 1 development is “investment of \$15 Million or more”● Tier 2 development is “investment of more than \$3 Million but less than \$15 Million” | <ul style="list-style-type: none">● Tier 1 development is “investment of \$75 Million or more”● Tier 2 development is “investment of \$3 Million or more” |
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Proposed Development Project “Public Support” Thresholds

These public support thresholds would determine when a development project must comply with the community benefits ordinance, with different requirements for Tier 1 or Tier 2 projects.

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| <ul style="list-style-type: none">● Land transfers and “tax abatements or grants that are cumulatively valued at \$300,000 or more”● Does not include Neighborhood Enterprise Zones | <ul style="list-style-type: none">● Tier 1 public support is land transfers and “tax abatements or other tax breaks that abate more than \$1 Million”● Tier 2 public support is land transfers and “tax abatements that abate more than \$300,000”● Does not include Neighborhood Enterprise Zones |
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*Note, this document is based on an initial comparison chart prepared by D4 partner Sugar Law Center.

Community Definition & Notification Process

The two proposed ordinances differ on how to determine what geographic area is impacted by the development project and how to notify residents within that geographic area.

- “Host Community” means the census tract where the development project is physically located and may include adjacent census tracts
- First public meeting “called by the City Council Member or Members in whose district(s) project is located”
- "Meeting to organize Host Community Representative Organization is to be scheduled within 21 days of the date of notice to residents of the census tract(s) affected"
- “Impact Area” means area determined by the Planning Director that includes all census tracts and or census block groups where the development project is located
- “Planning Director shall hold at least one public meeting in the Impact Area”
- Notice of meeting given “no less than 10 days” before meeting and to residents “within 300 radial feet” of the project

Community Engagement and Host Community Makeup

The two proposed ordinances differ on how impacted stakeholders should be selected and engaged.

- Developers sit at the table with “Host Community”, i.e., residents, local businesses, and nonprofit organizations (can include labor and faith-based organizations)
- Community engaged throughout development and post-development
- “Neighborhood Advisory Council” (NAC) comprised of 9 members: 4 appointed by the Planning Director, 2 chosen by the community, and 3 chosen by Council
- If Planning Director receives less than 9 nominations, additional individuals could come from outside Impact Area but within the district of the project
- Planning Director will arrange at least one meeting between NAC and Developer (City Council may facilitate additional meetings)
- Community engagement is 6 weeks or less

Community Benefits

The two proposed ordinances differ on what topics are required to be addressed during the public engagement process.

- Parties will negotiate, and must address each of the following: “targeted benefits, low and moderate income housing, quality of life or environmental mitigations, neighborhood infrastructure and amenities, and community representation for the benefit of the Host
- "Planning Director's Community Benefits Report to City Council must include concerns raised by the Neighborhood Advisory Council"

PROPOSAL "A"

PROPOSAL "B"

Community in the development and post development process"

Enforcement Mechanism

The two proposed ordinances differ on how community benefit requirements will be enforced.

- Developer required (for Tier 1, recommended for Tier 2) to enter into a legally binding agreement with community
- Failure to comply "may result in denial, suspension, termination, and revocation, or withdrawal of Public Support"
- Remedies limited to enforcement of CBA or Developer Agreement
- "Development agreements between the Developer and the City for Tier 1 projects must include "Community Benefits Provision," which must include enforcement mechanisms, which may include clawbacks, revocation of land transfers or sales, debarment provisions and proportionate penalties and fees"
- Enforcement Committee comprised of at least: Corporation Counsel and representatives from Planning and Development, Law, and Human Rights
- Violations raised by NAC will be investigated by Enforcement Committee and compliance enforced by City Council
- Developer not required to enter into a legally binding agreement with community